

Resolution No.: 16-465

Introduced: February 12, 2008

Adopted: February 26, 2008

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: County Council

SUBJECT: Supplemental Appropriation for the FY 2008 Operating Budget for Montgomery College, Major Facilities Reserve Fund, for lease payments to the Montgomery College Foundation, \$2,400,000 (student fees in the Major Facilities Reserve Fund)

Background

1. Section 16-301(d) of the Education Article of the Code of Maryland states that the capital and operating budgets of community colleges shall be prepared and considered in accordance with County fiscal procedures not inconsistent with State law. Section 16-304(a) and (b) state that each County governing body may appropriate money by major function to pay the cost of establishing and operating a community college.
2. Section 307 of the County Charter provides that any supplemental appropriation shall be recommended by the County Executive, who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week's notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a federal, state, or county law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of five Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of six Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.
3. The College requires appropriation authority to use \$2,400,000 in the College's Major Facilities Reserve Fund for lease payments to the Montgomery College Foundation, Inc. for The Morris and Gwendolyn Cafritz Foundation Arts Center at the Takoma Park/Silver Spring Campus. A lease/lease-back arrangement between the College and the Foundation allows the College to lease the completed building from the Foundation with the College's lease payments over the next 25 years used to pay the debt service on the bonds. The source of funds for the College's lease payments is the Major Facilities Reserve Fund (MFRF) as authorized in the various documents related to the \$33,000,000 bond sale used for the construction of new arts center which was the former Giant Bakery building in Silver Spring.

4. On November 19, 2007, the College Board of Trustees approved a request for supplemental appropriation authority for the FY 2008 Current Fund and Special Funds (Major Facilities Reserve Fund) for which no additional County funds are required, as follows:

Category	Amount	Funding
60 Operations and Maintenance	\$2,400,000	Major Facilities Reserve Fund – Montgomery College


5. The County Executive recommends approval of the request and suggests that the source of funds be the same as the College requested with no additional County funds required.
6. The source of funds for this supplemental appropriation is the Major Facilities Reserve Fund of Montgomery College.
7. Notice of a public hearing was given, and a public hearing was held.

Action

The County Council for Montgomery County, Maryland, approves a supplemental appropriation to the FY 2008 Operating Budget of the Major Facilities Reserve Fund of Montgomery College as follows:

Category	Amount	Funding
60 Operations and Maintenance	\$2,400,000	Major Facilities Reserve Fund – Montgomery College

This is a correct copy of Council action.


Linda M. Lauer, Clerk of the Council